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February 11, 1947

MEMORANDUM FOR THE DIRECTOR:

Subject: CIG Progress Report by the Director of Central Intelligence to the National Intelligence Authority

Enclosures: (A) Budget hearings before the Congressional Appropriations Committees

(B) Service Requests from Departments

The following is a progress report of the activities of CIG to date, which is made under the major headings of the staff and operating offices of CIG in order to give an understanding of the organization as well as the activities of the CIG.

PERSONNEL AND ADMINISTRATIVE OFFICE

Budget. On December 23, 1946, the Director of the Bureau of the Budget advised that approval had been granted for a CIG budget for the fiscal year 1948. CIG funds will be distributed within the appropriations of State, War and Navy. Budget hearings before the Congressional Appropriations Committees have within the past week been held and statistical material has been submitted to them for consideration. A separate report of these hearings are enclosed herewith as "Enclosure A".

LEGISLATION

At the request of Mr. Clifford, Special Counsel to the President, a draft of proposed enabling legislation for CIG was submitted to the White House on December 2, 1946. The principal advantages to be derived by CIG from legislation will be an administrative stability. Under the present setup, CIG has encountered trouble in personnel recruitment because of its so-called "unpermanent nature". Although not included in the original draft, consideration is now given to the addition of a section which would give to the Executive Branch of the Government as a whole the advantages of an "official secrets act". In June 1946 War, Navy and AEC submitted to the Justice Department proposals to meet this same problem, but it was through the process of revising the Espionage rules.

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PERSONAL

There is submitted herewith in tabular form a report of personnel assigned to duty with CIC (Continental United States only) as of 6 February 1947.

REPORT

	ARMY		AIR		NAVY		STATE		CIC		TOTAL
	MIL. CIV. (KEY)		MIL. CIV. (KEY)		MIL. CIV. (KEY)		CIV. (KEY)		CIV. (KEY)		
25X9											
DIRECTOR											
Officer	3		1								
EM											
Total	3	1	1				1				
EXECUTIVE STAFF											
Officer	27		5								
EM	85										
Total	112	1	5								
ICAPS											
Officer	2	(1)	1	(1)	2		(2)				
EM											
Total	2	(1)	1	(1)	2		(2)	1	(1)		
OPERATIONS											
Officer	11	(1)	2		3						
EM	20										
Total	31	(1)	2		3						
C & D											
Officer	3	(3)	2	(2)	2		(2)				
EM											
Total	3	(3)	2	(2)	2		(2)	3	(1)		
ORE											
Officer	2	(3)	1	(1)	3		(3)				
EM											
Total	2	2 (3)	1	(1)	3		(3)	5	(5)		
SPECIAL OPERATIONS											
Officer	26	(2)	7		1		(1)				
EM	29										
Total	55	(2)	7		1		(1)				
TOTAL											
Officer	74		19		16						
EM	134										
Total	208	4 (10)	19	(4)	16		(6)	10	(7)		

~~INTERDEPARTMENTAL COORDINATION AND PLANNING STAFF~~

The GBU Staff for Interdepartmental Coordination and Planning has been holding a continuing series of interagency meetings in the endeavor to accomplish the President's desire "that all Federal foreign intelligence

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activities be planned, developed and coordinated so as to assure the most effective accomplishment of the intelligence mission related to the national security." At most of these early meetings there was encountered, particularly among subordinate agency officials, a resistance to cooperative undertakings and a strong reluctance to tackle the more fundamental problems of coordination.

However, the Planning Staff continued its meeting on the basis of agenda composed of miscellaneous collection of agency requests, such as the one covering the coordination of biographical intelligence, the directive on which has been approved and promulgated. The procedure was productive inasmuch as agency representatives came to know their opposite numbers, and an understanding of each other's problems was gradually developed. With these understandings came a greater willingness to tackle more serious problems, it having become apparent to all that an honest and sincere desire did exist to arrive at some logical and workable arrangements, but it took CIB six months of almost constant meetings and missionary work to produce results. At its last meeting, the IAS approved in the name of the NIA, a statement of overall policies and objectives for the coordinated collection of intelligence information, and an implementing directive therefor has been issued by the DCI, acting for the NIA in coordinating the Federal foreign intelligence activities. The IAS also requested the preparation of a companion paper on the coordination of production of finished intelligence which now also has been completed as a result of interagency "ad hoc" committee meetings. There remain in this plan a few relatively unimportant areas of disagreement, but it is expected in the near future to be able to submit to the IAS a plan of coordinated production which will have the support of all the IAS agencies.

OFFICE OF REPORTS AND ESTIMATES

Basic Intelligence. The discussions which have taken place in the development of the paper on the coordination of the production of intelligence indicate that it is the agencies' desire that the CIB undertake a large part of the responsibility for the preparation, maintenance and publication of those handbooks containing an encyclopedic form of intelligence which serve as the reference material for war planners, naval strategists and commercial, economic and political policy makers alike. Although the intelligence production plan envisages allocations of specific basic intelligence functions to the several intelligence agencies, it is believed that gradually the agencies will desire the CIB to perform an increasing amount of this work. To begin with, it is proposed that an outline of intelligence requirements for the national intelligence manuals will be prepared, and the initial responsibility for production of the various sections thereof will be allocated to the several agencies with the CIB accepting responsibility for the assembly and maintenance of the manuals in order to keep them up to date. The pooling incident to the

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preparation of these manuals will, it is believed, eliminate duplication and reduce cost; and will, in addition, result in publications better designed to meet all agencies' requirements. Overall control and supervision of this project will fall to the Office of Reports and Estimates where it will be closely related through the joint use of raw intelligence information to the office's current production of strategic and policy intelligence.

Current Intelligence. During the month of January, this office has completed 26 daily summaries, 5 weekly summaries, 2 special evaluations and 2 ORE estimates. It has been felt for some time that ORE's production of current intelligence, in the forms above described, might be improved and instructions have now been given revising to some extent this office's service of current intelligence summaries of evaluations and estimates. Incorporated in these suggested changes are the present plans for the preparation of situation reports on the various countries and areas of the world, and on the several functional responsibilities, including scientific intelligence. It is expected that two of these situation reports may be prepared monthly by each branch for the use of the IAB agencies, as specifically requested by one of the agency directors. It is thought also desirable to prepare a daily summary specifically designed to meet the requirements of the President only, and a second daily summary more detailed with respect to sources and more comprehensive for others on the NIA and high intelligence levels.

Presentation Branch. The Office of Reports and Estimates maintains a Presentation Branch which undertakes oral presentations and the briefing of officials leaving the country. The first full scale presentation of this nature was made at the National War College on 23 January 1947, covering the subject of "Soviet World-Wide Objectives". In developing its briefing program, it was ORE's intention to inculcate in prospective attaches the idea that the national intelligence mission is a single and integrated one, that each representative has responsibilities thereunder to agencies other than his own, and that the highest form of team work in the field is necessary in the national interest.

Reference Center. The administrative preliminaries to the creation of an interagency reference center have been underway for some time. Delays have resulted from the desire to initiate the project only when adequate and competent personnel become available, but several related projects which have been given consideration have been so developed that when the time comes they will easily fall into the reference center pattern. Among these are the Biographic Data Compilation Plan, the Central Contact Register, the Exploitation of Captured Documents, the Coordinated Acquisition of Foreign Publications, and Intelligence on Foreign Industrial Establishments.

Scientific Branch. This Branch was activated on 23 January 1947 and, in addition to representing ORE interests in scientific intelligence,

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it is currently engaged in analyzing available scientific intelligence information and rendering assistance to the Joint Research and Development Board in this respect. A final report from the technical viewpoint of guided missiles over Sweden is in draft form.

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Service to SWNCC. By recent agreement, a working arrangement has been developed between CIG and SWNCC on the basis of the understanding that SWNCC is the interagency policy development group while CIG is the interagency intelligence group. A program of liaison has been mutually accepted whereby the CIG will supply to the SWNCC policy formulators such intelligence estimates and other intelligence material as the policy formulators may require in their work.

Despite a similar injunction to CIG in NIA No. 1, no such arrangement has yet been possible with the JCS although the problem of CIG-JIC relationship is still under consideration.

OFFICE OF COLLECTION AND DISSEMINATION.

Collection. NIA Directive No. 7, which has been recently approved, is the statement of overall policies and objectives for the coordination of collection activities, as mentioned above. The implementation of this plan should go far toward insuring the fullest possible use of our collection facilities abroad, the reduction of unnecessary overlap and unproductive duplication. It places final field responsibility for all agency field representatives under the direction of the senior U. S. representative at each post and directs collectors' efforts into specified channels.

The Collection branch of OCB is now processing for the agencies an increasing number of collection requests every month. As the program develops, this service will be extended to all Government agencies concerned in the national security.

Dissemination. Since the coordination of collection and production of foreign intelligence depends on coordination of dissemination to complete its value, preliminary efforts in dissemination procedures have been underway for some time. During the war, innumerable "ad hoc" and makeshift arrangements were developed in an attempt to meet this problem. Gradually, over the past months, the several agencies of the Government have come more and more to call on CIG to assist in locating and supplying their required intelligence materials. Plans are well under way to establish a system for the fastest possible interagency dissemination of incoming intelligence information.

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The following table of this office's current daily flow or volume of intelligence work is submitted as an indication of the scope of its operation:

	<u>Daily Av.</u>	<u>Max. a day</u>	<u>Min. a day</u>
Requirements Requests rec'd from all sources.	7	15	2
Collection requests sent out based on above re- quirements requests.	9	18	2
Items of intelligence material (other than dispatches) processed from all sources.	610	1700	450
Copies of dispatches rec'd from all sources.	377	727	292
Total intelligence papers processed.	1003	2460	747

Requirements range from a request for a single intelligence report already in existence to a request for estimates in a specific field which will require months of study and research by a considerable number of professional personnel in O&A. All available sources are not yet exploited due to personnel limitations. A very rough estimate of the increase to be expected by 1 July 1947 would be 40% of the above figures.

Security Branch. This branch has been gradually expanded with the idea that it would ultimately become a separate security office at such time as legislative action is established. This branch has initiated action on censorship planning, has investigated the policy regarding ownership of Japanese documents, and determined policy regarding foreign participation therein. It has initiated necessary investigations regarding security of persons in other Government agencies, and has participated in redrafting of security regulations. It has also reviewed the proposed security policy to be promulgated by the Security Advisory Board of SWMCC, and has drafted a policy regarding dissemination of military information to other powers.

National Intelligence Requirements. Perhaps the slowest progress of all has been encountered in developing what has been called "National Intelligence Requirements". At one of the first interagency meetings, it was agreed by all representatives present that the war-time procedure of undirected intelligence collection from any and all sources on any and all subjects must for budgetary reasons be replaced by some collection

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program. It was agreed that these programs should be prepared for each of the strategic areas of the world and revised on a quarterly basis. It was CIG's purpose that the actual collection directives to field representatives would be so worded as to eliminate any danger of alerted reports to reinforce policies, or of selecting material transmitted for the same purpose. Each National Intelligence Requirements were prepared to cover China, and all agencies submitted their quarterly requirements of current intelligence. CIG combined these four sets of requirements into a single overall document and the latter was presented to the JNS for approval. Final clearance of the implementing directive has only just been obtained and CIG has, therefore, until now been unable to take a planned next step of developing these requirements for other areas. It is expected that these statements will give a much needed direction to the efforts of the Office of Special Operations.

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OFFICE OF OPERATIONS

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Washington Document Center. At the request of the War and Navy Departments, the CIG accepted the transfer to it as of December 1, 1946, of the Washington Document Center, an interservice document exploitation research library of Japanese captured documents. This collection has been described by authorities as the most complete documentation ever assembled on the Far East and Siberia and has since its establishment in this country been of immediate value in satisfying high priority strategic intelligence requirements of the several departments by providing information not available from any other source.

This Branch has 71 translations in process at the beginning of the month. Nine of these were completed and 20 new ones started leaving the total in process at the end of the period at 82.

A total of 9,046 documents were screened during January. Of these, 1,503 were forwarded to the Library of Congress being as of no intelligence value; 1,068 were sent to the Office of Technical Services, Department of Commerce, being primarily of industrial interest; and the rest designated for further screening or holding against possible requests.

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Due to losses in the military personnel assigned to the Document Center, the roster of this activity has been reduced to 89 persons, and is faced with a further reduction of about 20. It will be necessary to augment this personnel in order to effectively accomplish the requirements of the IAS agencies.

STATSPEC

Recently the War Department has proposed that the GIC take over operational control of two additional document centers containing material emanating from Europe. Although final decision on this has not yet been reached, it is expected that at least one of them will be accepted.



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CONCLUSION

In summary, it must be reported that GIC has not developed with the speed at which it was originally anticipated. It has encountered opposition from several quarters, and it has been impeded by a lack of clearly defined policy or an unwillingness on the part of some agency representatives to accept what to others have been statements of clearly defined policy. This problem is gradually being met by the preparation and promulgation of carefully stated "overall policies and objectives" which should result in a better planned, developed, and coordinated intelligence mission.

On the other hand, it can be reported that a great deal of successful groundwork has been laid in developing interagency understanding and mutual confidence. Over the months GIC has gradually built up its organization and procedures so that it is now truly an intelligence

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operative, even though in an early stage. The agencies are calling more and more on CIG for intelligence services and centralized activities, as will be seen from a summary of the more important requests received from the Departments herewith enclosed as "Enclosure B". Some agency fears, jealousies, and mistrust are still to be eradicated, but there are indications of an increased tempo in CIG's progress toward the full accomplishment of the President's Directive.

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